

# Shipping Finance Development of Leading Chinese Leasing Companies

By Bank of Communications Financial Leasing

22 Feb 2019



# Agenda

**Brief introduction of Leading Chinese Leasing Companies**

**Rapid Development of Chinese Shipping Leasing**

**Outlook of Chinese Leasing Companies**

**Role of Chinese Financial Leasing in Shipping**



# 1.1 | History of Chinese Leasing Companies

- Year **2007**, the first **5** Financial Leasing companies established in China, all with bank background.
- Year **2018**, the figure for Financial Leasing Company is **69**.
- **8** financial leasing companies assets over **100 bn** RMB.

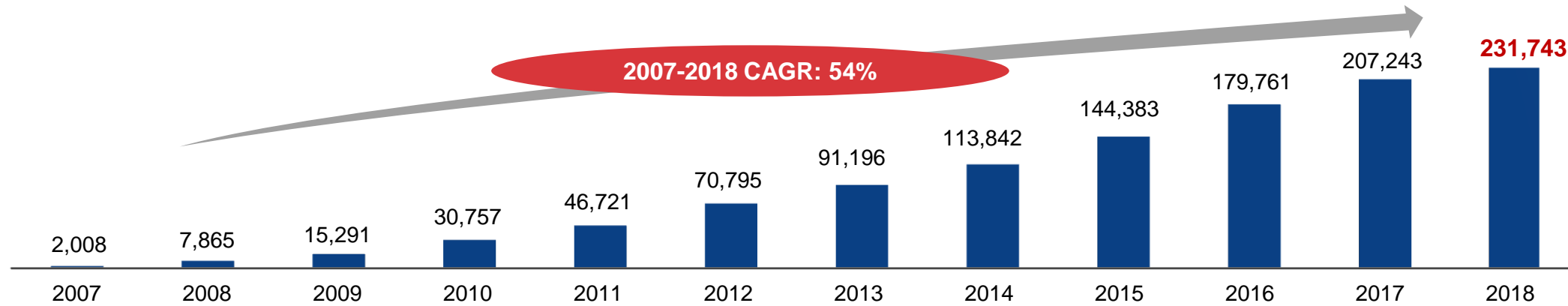


# 1.2 | Sustainable growth with a progressive momentum

Fast growing asset scale of Bocomm Leasing

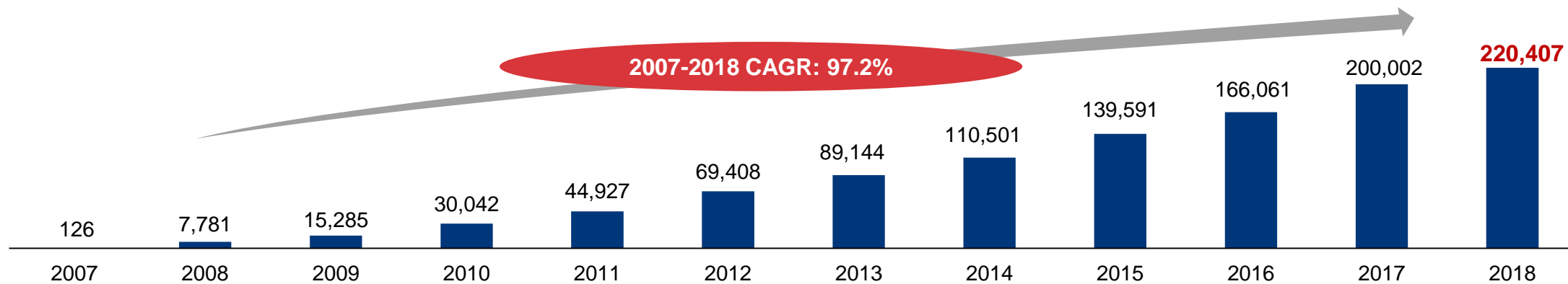
## Total assets

(RMBm)



## Leased assets

(RMBm)



## 1.3 | Bocomm Leasing is in the top rank by major indicators

Wholly-owned subsidiary of Bank of Communications

Incorporated since December 2007

Among the first batch of five pilot financial leasing companies in China

Registered capital amounting to RMB8.5bn

Ranking top among the financial leasing industry in terms of main metrics<sup>1, 2</sup>

Total assets RMB231.7 bn **No. 2**

Leased assets RMB220.4 bn **No. 2**

Operating lease assets RMB104.5 bn **No. 2**

NPA ratio 0.66% **No. 1**

Note: 1. source as of Dec 2018

2. The industry universe consists of eight Chinese financial leasing companies with total assets over RMB100bn as of Dec2018



# 1.4 | Preferable industries for financial leasing companies



Aviation



Shipping



Automobile

Infrastructure

Medical, Manufacture  
Equipment



# 1.5 | Five key business segments of Bocomm Leasing



## Shipping

- **Key focus for growth**
- **380+** vessels under management, including container liners, chemical tankers, oil tankers, LNG carriers, bulk carriers, cruise ships, Ropax etc.
- Rank **#2** in shipping leasing business of container liners globally. Client base covers **top five** global container shipping companies
- Set up offshore business platform in Germany to focus on exploration of international markets
- Clients are mostly large SOEs and top global shipping companies with long operating history



## Aviation

- **Key focus for growth**
- With **189** aircrafts and **2** managed aircraft, BoComm Leasing ranked **Top 3** in domestic industry
- Set up platform in Ireland to promote offshore business
- The balance of operating lease assets accounts for **c.91%**, among the highest in domestic industry
- **53** clients across **20** countries and regions



## Public infrastructure

- **Industry:** water supply, gas supply, sewage treatment, public transportation, culture and tourism, etc.
- Communicate and cooperate with companies in water supply, public transportation, gas supply, heating supply, and rail transit sectors in large provincial capitals and major tier one and tier two cities
- **Clients:** sizeable professional infrastructure enterprises such as CRECG, CCCC, Shanghai Metro, Nanjing Metro, Shaanxi Water Group, Beijing OriginWater Technology, Taiyuan Heating Power Co., Shenzhen Bus Group, Tianjin Binda Gas Enterprises Company, etc.



## Energy equipment

- **Industry:** coal, electricity, oil and gas as four pillars, supplemented by other new energy industries
- Raise entry threshold in traditional energy industries and strengthen support to new energy industries and industrial upgrading; Support domestic and foreign projects that fit national industrial policy and economic transformation and upgrading principle
- **Clients:** CNCG, Datong Coal Mine Group, China Guodian Corporation, China Huadian Corporation, CNOOC and other large state-owned energy companies
- Promote business in high-end equipment manufacturing and cross-border leasing for large equipment; Support holistic strategies of Chinese manufacturing industry to “Go Global” and international



## Machinery equipment

- **Industry:** engineering machineries, heavy trucks, buses, agricultural machineries, and large complete set equipment
- Industry leading in terms of product diversification, sector coverage, and number of cooperative manufacturers
- **Clients:** XCMG, FAW Jiefang, Sinotruk, Shenyang Machine Tool, Zoomlion, Sany, and other leading companies in the industry
- Support growth of micro and small enterprises, and develop a variety of wholesale and retail products regarding sublease, direct lease, and joint lease, providing efficient channels and financing solutions to micro and small enterprises in the procurement of production materials and carrying out operating activities

**\$/€ USD/EUR business segment**

**¥ RMB business segment**

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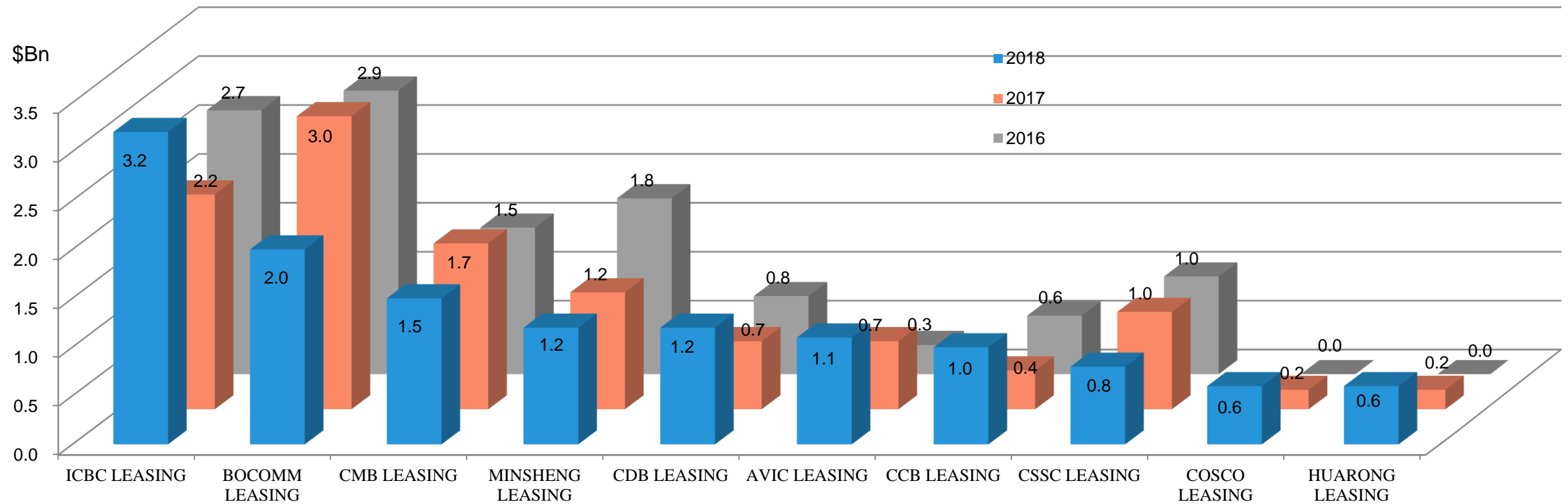
**Role of Chinese Financial Leasing in Shipping**





## 2.1 | Rapid development of shipping finance leasing

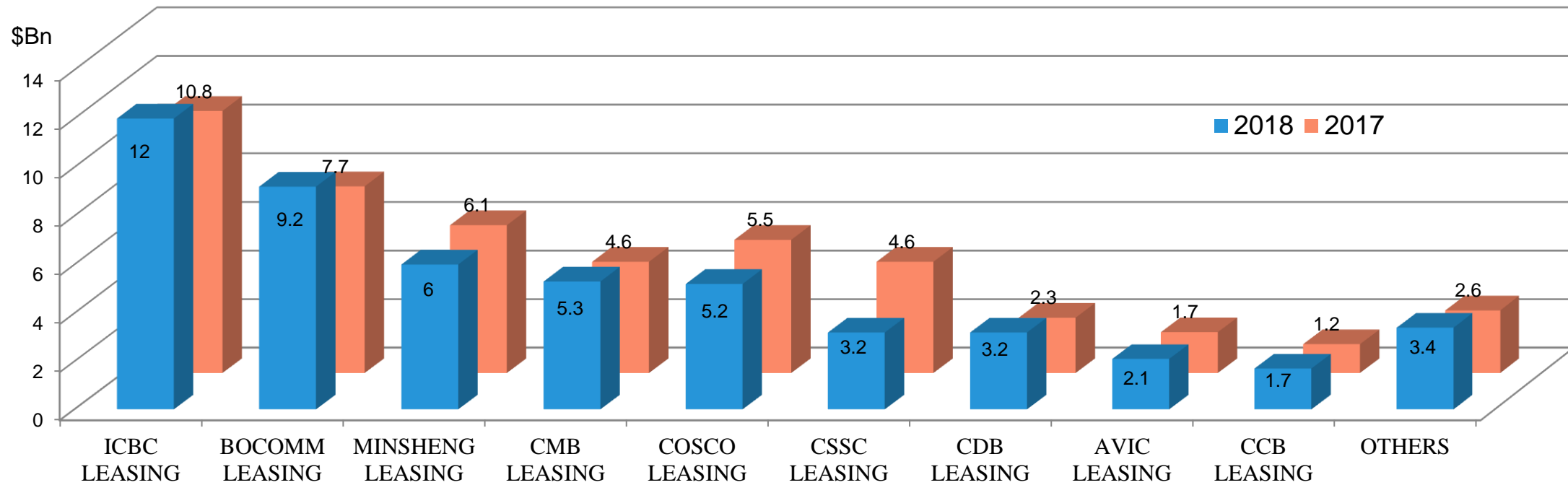
Ship Leasing Drawdown from 2016 to 2018 of Chinese Leading Finance Leasing Companies



Data source: SMARINE

## 2.2 Dominate position of the leading companies

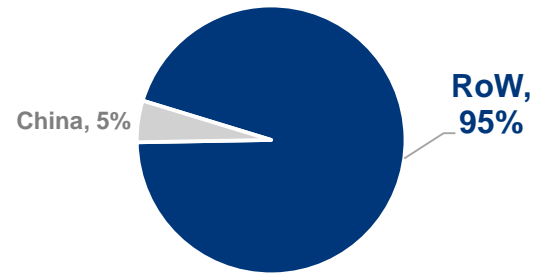
Ship Leasing Assets Value of Chinese Leading Finance Leasing Companies



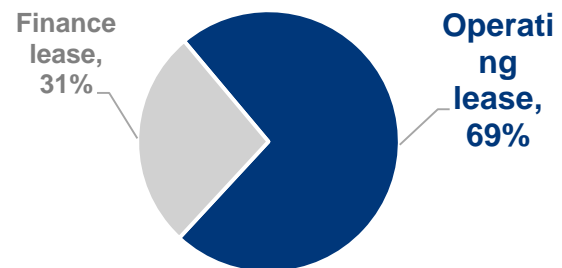
Data source: SMARINE

## 2.3 | Qualified shipping assets

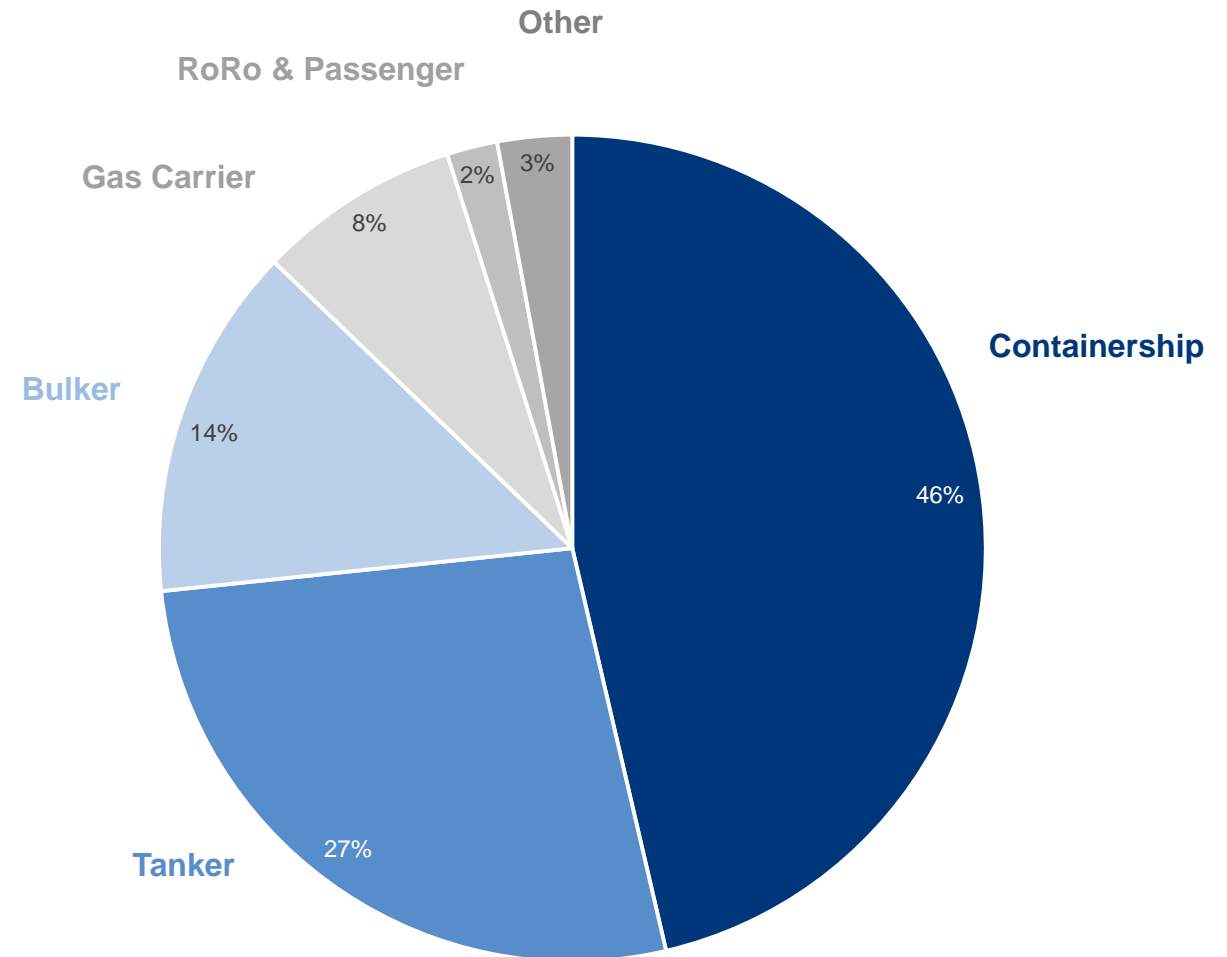
Portfolio by geography



Portfolio by structure



Portfolio by vessel type



**Bocomm Leasing Fleet**

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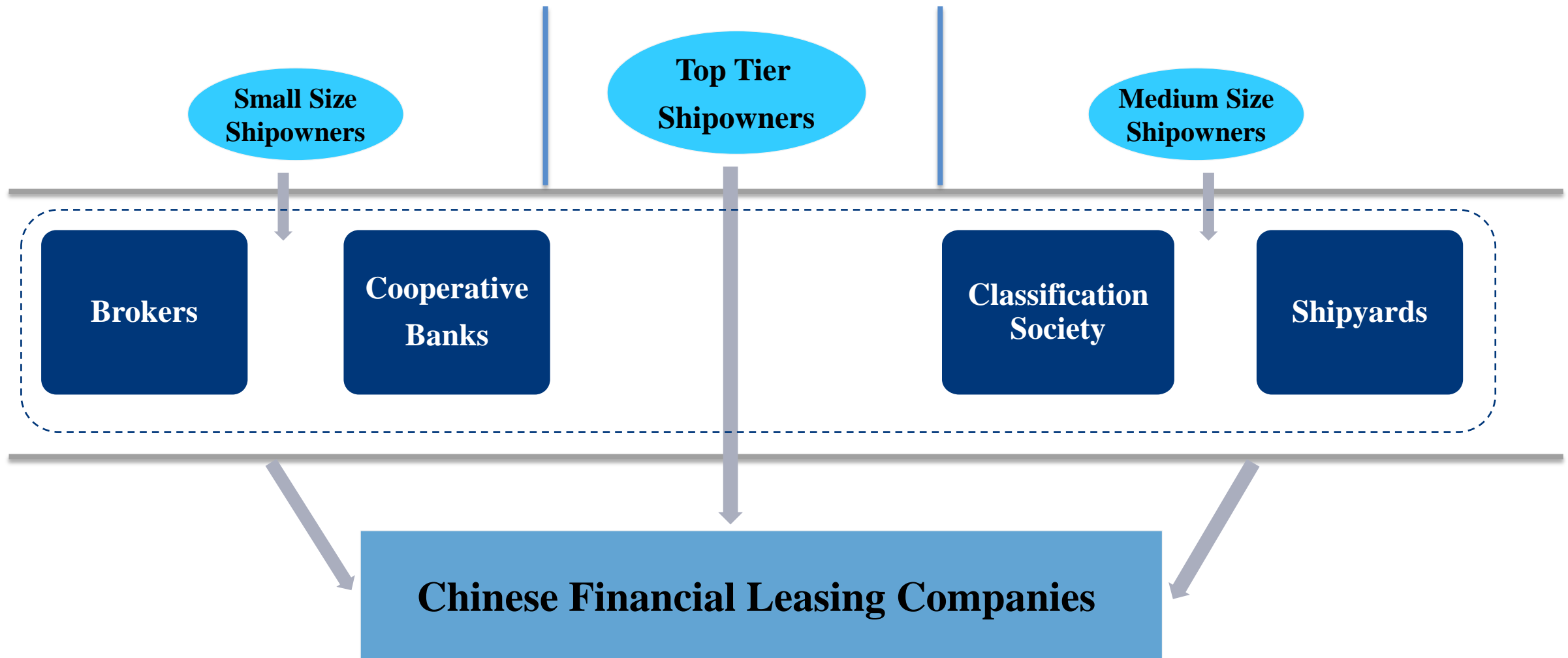
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### 3.1 | Diversify channel for access to clients





## 3.2 | Global clients network

### Bocomm Leasing Shipping Clients Group

40+

Number of  
clients

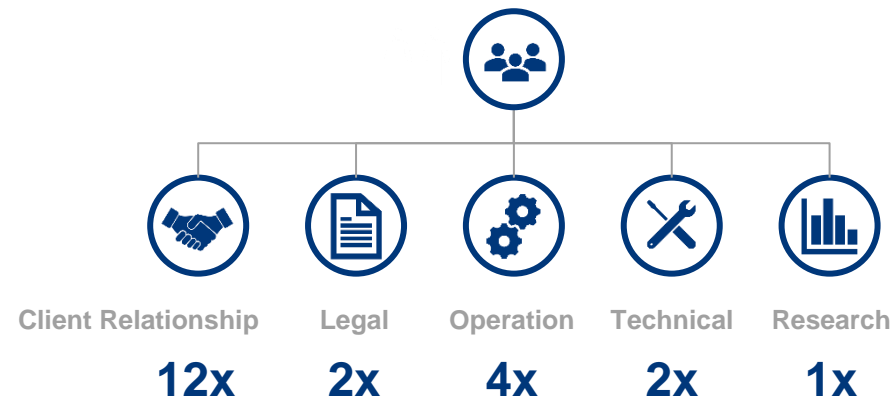
380+

Number of  
vessels



# 3.3 | Efficient and professional team of Bocomm leasing shipping Dept.

A professional and committed team...



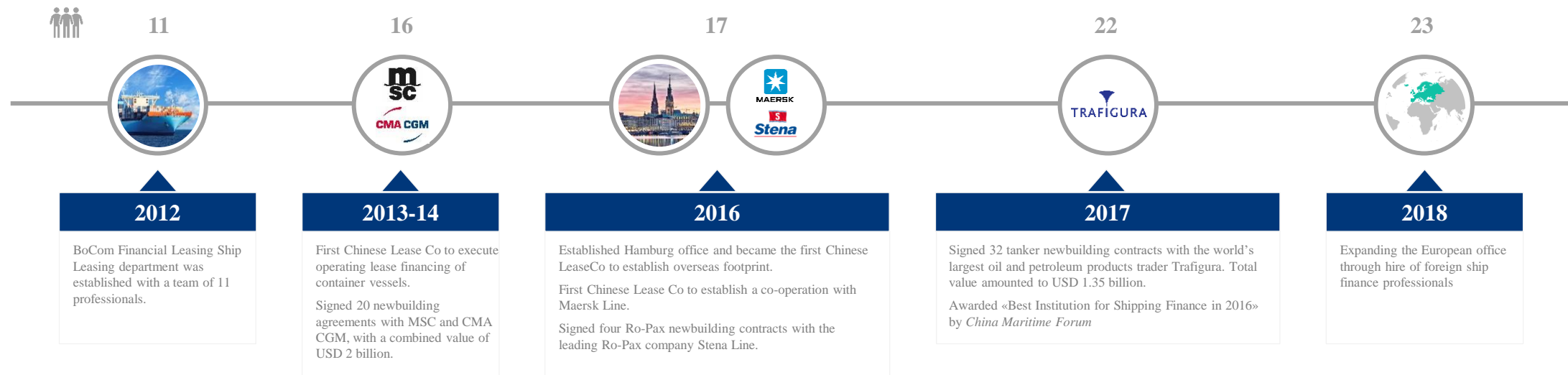
...with a demonstrated execution track record

380+

Number of vessels

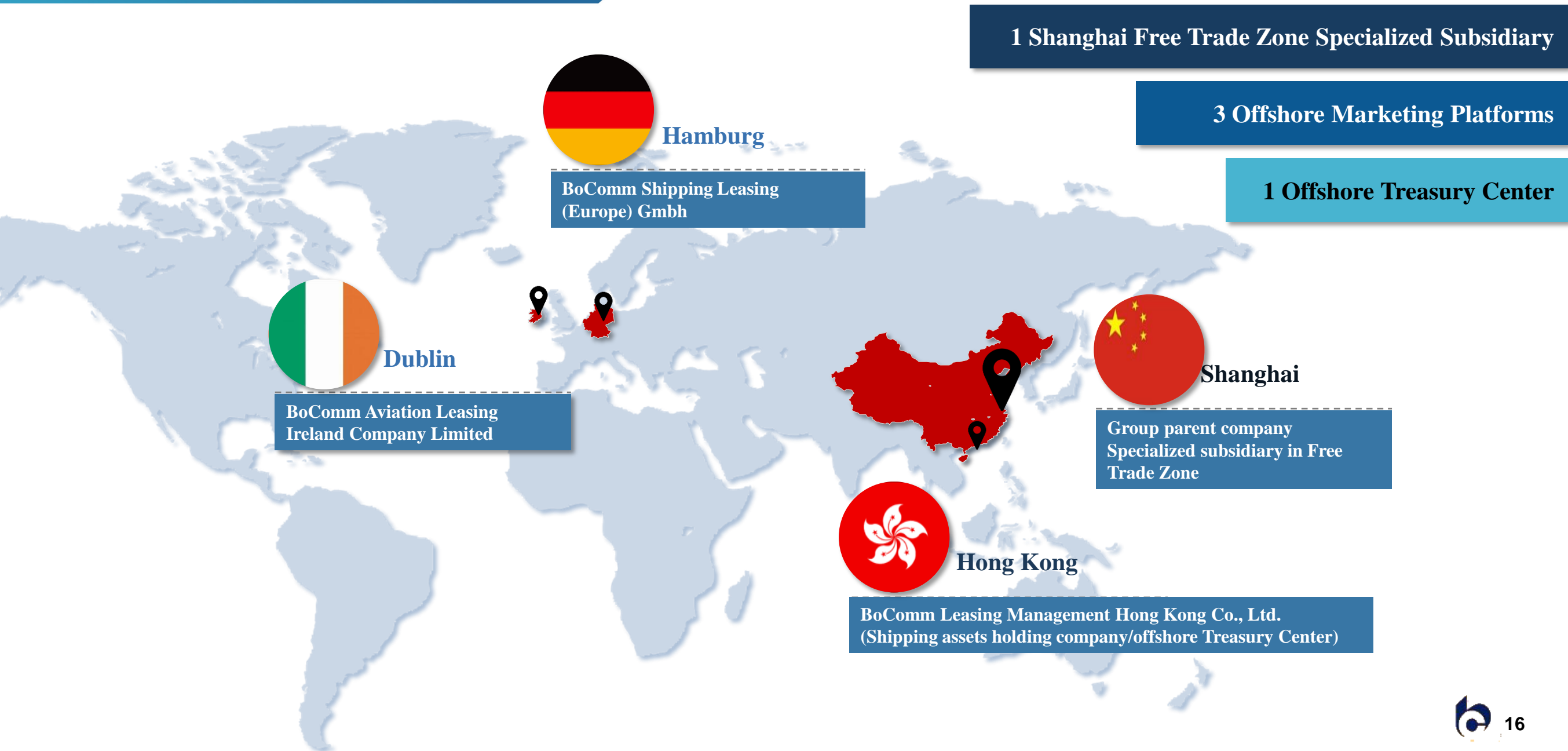
63 billion

Portfolio value RMB



Source: As per 31 December 2018

## 3.4 | Global operating entities, close to the market



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### *Keep the market healthy*

- More than 50% is “Sales and Lease back”.

### *Leasing company is not ship owner*

- Financed more than 1,600 vessels, only approximately 30 vessels ordered without Charters

### *Providing more finance options for the market*

- Flexible solutions
- Efficient service
- Competitive terms



The background of the slide is a composite image. On the left, an offshore oil rig is being positioned or maintained by a large ship with cranes at a port. On the right, several wind turbines are visible against a sunset sky with orange and yellow clouds. The overall theme is maritime and energy.

*Set sail with Bocomm Leasing*  
*Share prosperity*

Thank you!